

Statement of Compliance with the (Taiwan) Stewardship

Principles for Institutional Investors

Cathay Century Insurance Co., Ltd. (hereinafter referred to as the "Company") operates primarily in the life insurance business. The Company is an asset owner in the definition of institutional investors in the Stewardship Principles for Institutional Investors. The Company invests with proprietary funds and reserves.

The Company has always insisted on making sound investments. As the connection between companies, society, and the environment becomes growingly closer, we believe that corporate sustainability is shareholders' profits, customer satisfaction, and employee happiness. Our vision regarding sustainability is "lead the way in sustainable insurance and ensure the happiness of society." Hence, the Company will continue to align with sustainability trends of multinational companies, take environmental, social, and governance (ESG) factors into consideration when utilizing the funds of as an institutional investor, and exert influence on the market and investee companies to become a responsible institutional investor.

The Company hereby declares compliance with the (Taiwan) Stewardship Principles for Institutional Investors. A summary of such compliance with respect to the six main principles is presented below:

Principle 1 Establish and Disclose Stewardship Policies

To implement the spirit of corporate responsibility and promote sustainable operations and development, the Company has formulated its Stewardship Policies. By doing so, the Company aims to increase the long-term values of Cathay Century Insurance, its customers and shareholders, fulfill its duties as an institutional investor, and support quality enterprises that value sustainable development to establish a positive cycle into the society. The main contents of the Stewardship Policies are as follows:

- (I) The Company engages in property insurance services as the owner of assets. Investments are made using our own funds and various reserves. Through stewardship activities, we consider environmental, social, and corporate governance (ESG) factors and other corporate sustainability factors to increase investment value through stewardship actions with the goal of increasing long-term benefits to the Company, customers, and shareholders.
- (II) The Company may determine the frequency, extent, and methods of stewardship activities based on the purpose and benefits of investments and the influence of the investments on corporate sustainable development. The

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Company's stewardship activities are carried out in many ways, including: Monitoring investee companies, dialogs and interactions with the management of the Company, participation in shareholders' meetings, and exercising voting rights.

(III) The Company may entrust part of its stewardship activities to other professional agencies, such as those providing voting advice or voting on behalf of the Company. This shall be based on agreements with such agencies or conducted under the Company's supervision, in order to ensure that the entrusted agency performs at the request of the Company.

(IV) We disclose the status of governance implementation on the Company's website and update such information at least once a year.

Principle 2 Establish and Disclose Policies on Managing Conflicts of Interest

To ensure that the Company executes its businesses in the interest of its customers or shareholders, it has established the Employee Code of Conduct and policies on managing conflicts of interest, which include types of conflicts of interest and management methods. The main contents of the relevant policies are as follows:

(I) A management policy for conflicts of interest was established to ensure that the Company operates in the interests of its customers and shareholders, and to avoid conflicts of interests.

(II) Conflicts of interest may include the following situations:

1. Where the Company or its employees, for its own benefits, makes a transaction or investment to the disadvantage of its customers or shareholders.
2. Where the Company or its employees, for the benefits of certain customers or shareholders, makes a transaction or investment to the detriment of other customers, shareholders, or stakeholders.

(III) Employees of our company shall comply with the "Employee Code of Conduct," "Trader Code of Conduct," "Regulations Governing Transactions Other than Loans with Stakeholders", "Regulations Governing the Management of Lending with Stakeholders," and related internal control procedures when performing their duties. Conflicts of interest shall be avoided through the implementation of education and promotion, tiered

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accountability, and information control.

- (IV) The Company should consolidate and explain to customers, shareholders, and stakeholders the causes and the response measures taken against major incidents where conflicts of interest have occurred and may cause damage to its goodwill or financial soundness.

Principle 3 Regularly Monitor Investee Companies

Cathay Century Insurance shall focus on issues regarding the investee companies, such as related news, financial performance, industry profile, business strategy, environmental protection actions, social responsibility, and labor rights, to ensure that sufficient and valid information can be obtained by the Company for assessing the nature, timeline and degree of dialog and interaction with investee companies, and to form a sound basis for its investment decision-making.

Principle 4 Maintain an Appropriate Dialog and Interaction with Investee Companies

By maintaining an appropriate dialog and interaction with companies, the Company engages the management teams to understand and communicate the risk and strategies they face. In addition, the Company works on reaching a certain degree of consensus with the investee companies on long-term value creation. The Company communicates with the senior management of investee companies through conference calls, face-to-face meetings, sending representatives to regular or major provisional shareholders' meetings. In scenarios where an investee company may violate principles of corporate governance on specific issues or damage long-term values of our clients, beneficiaries and shareholders, the Company will inquire into the investee companies' handling of such matters whenever deemed necessary, and may join other investors with similar views in expressing their concerns.

Principle 5 Establish Clear Voting Policies and Disclose Voting Results

In order to achieve maximum benefits for customers and shareholders, the Company has established clear voting policies and actively voted at shareholders' meetings; furthermore, the Company does not necessarily support proposals made by the senior management. The main contents of the voting policy are as follows:

- (I) In pursuit of the greatest benefits for customers and shareholders, the Company has established clear voting policies and actively exercised its voting rights so as to express an opinion on each proposal at the shareholders' meetings of investee companies.
- (II) The company's voting policies may include the following:

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1. The Company shall establish the threshold for exercising voting rights for domestic investments as determined in relation to its influence on the overall operations of investee companies through conducting a suitability analysis. For instance, voting rights will only be exercised if a shareholding reaches a certain percentage or amount.
2. Before attending an investee company's shareholders' meeting, the Company shall provide a description of its evaluation and analysis of the exercise of voting rights and submit a written record of each vote to the board of directors after the shareholders' meeting.
3. To fully express an opinion on each proposal at the shareholders' meetings of investee companies and reduce the time and space restrictions on voting, the Company will mainly exercise voting rights in electronic form. A representative may be assigned to exercise voting rights at a shareholders' meeting of an investee company if necessary.
4. Cathay Century Insurance respects the professional know-how of investee companies and, in the interest of effective growth, supports all proposals in general. In principle, however, Cathay Century Insurance does not support proposals with contents that violate the corporate governance of investee companies (e.g., false financial statements and improper compensation for directors and supervisors), or those having a negative influence on the environment or society at large (e.g., pollution, violation of human rights, and deprivation of labor rights). Unless otherwise specified by law, the Company will not vote on a resolution involving director or supervisor election.

(III) The Company shall properly record and analyze the exercise of voting rights in accordance with the above policy and disclose it annually.

Principle 6 Periodically Disclose Fulfillment Status of Stewardship Responsibilities

The Company regularly discloses on its website the status of its governance due diligence, including this Statement of Compliance and explanations of any failure to comply with certain principles, attendance and voting at shareholder meetings of investee companies, and other important matters.

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**Signatory Cathay Century Insurance Co., Ltd.
December 18, 2020**